

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



March 24, 2017

Jimmy Granbery, Board Chair  
YMCA of Middle Tennessee  
1000 Church Street  
Nashville, TN 37203

Dear Mr. Granbery:

Please find attached the monitoring report of the YMCA of Middle Tennessee relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2016.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on February 23, 2017.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

*Kevin Brown*

Kevin Brown, CMFO, CICA, CFE  
Finance Administrator

cc: Dan Dummermuth, Chief Executive Officer  
Talia Lomax-O'dneal, Director of Finance  
Kim McDoniel, Deputy Director of Finance

Gene Nolan, Deputy Director of Finance  
Phil Carr, Chief of Accounts  
Mark Swann, Internal Audit  
Fred Adom, CPA, CGMA, CICA, Director, Office of Financial Accountability  
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability  
Matthew Fouad, Office of Financial Accountability



**Metropolitan Government of Nashville and Davidson County**

# **YMCA of Middle Tennessee**

**◆ Monitoring Report ◆**

**Conducted by**



**Office of Financial Accountability**

March 24, 2017

# MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the YMCA of Middle Tennessee. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the YMCA of Middle Tennessee or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

<b>Contract</b>	<b>Type</b>	<b>Amount</b>	<b>Contact Term</b>	
L-3438	Community Enhancement Funds	\$48,700	July 1, 2015	June 30, 2016

### **Agency Background**

According to the agency’s webpage, the YMCA of Middle Tennessee mission is “a worldwide charitable fellowship united by a common loyalty to Jesus Christ for the purpose of helping people grow in spirit, mind, and body.” The YMCA works to make sure that everyone, regardless of age, income or background, has the opportunity to learn, grow, and thrive. The agency operates 18 family wellness centers and nearly 200 program locations.

The YMCA utilized the CEF funds to operate an afterschool tutoring program for students at Taylor Stratton and Jones Padeia Elementary Schools.

## OBJECTIVES, SCOPE AND METHODOLOGY

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The objectives of our review were:

- 1) To determine whether the agency had the resources and capacity to administer the grant funds.
- 2) To determine if costs and services were allowable and eligible.
- 3) To verify that program objectives were met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2015 through June 30, 2016.

Audit procedures included meeting with agency management and staff, reviewing board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in contract L-3438. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's general ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the spending plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

## RESULTS OF REVIEW

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### SUMMARY OF RESULTS

Criteria	Yes	No
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services Allowable and Eligible?	✓	
Program Objectives Met?		✓
Reporting Requirements Met?	✓	
Compliance with Civil Rights Requirements?	✓	

## RESULTS OF REVIEW

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The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

### **1. Sufficient Resources and Capacity to Administer Grant Funds**

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds

### **2. Allowable and Eligible Costs and Services**

Our review covered all of the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency was in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro grant.

Based on our test work, costs and services during the period were allowable and eligible.

## **RESULTS OF REVIEW**

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### **3. Program and Performance Objectives**

The contract stipulated that the agency shall use the funds to provide an afterschool program with the following outcomes:

1. Provide academic enhancement tutoring sessions to at least 55 unduplicated students at Taylor Stratton & Jones Padeia Elementary Schools, in addition to 150 youths in the Fun Company program at those sites.
2. 70% of the 55 students who attend 4 weeks of tutoring (at least 3 times/week) will increase their grades in that academia area (i.e., Math, Science, Reading/Literacy), as determined by their semester report card; progress towards their strategic tutoring goal as assessed at the end of their tutoring cohort period.

Based on our review of program documentation and discussions with staff, program performance objective #2 was not met and the agency was not in compliance with contractual program objectives. Please see Finding #1 for more details.

### **4. Reliability of Financial and Programmatic Reporting**

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract.

We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency complied with all financial and programmatic reporting requirements.

## RESULTS OF REVIEW

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### **5. Civil Rights Requirements**

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.

### **1. Program Objectives Not Met**

#### **Finding**

The YMCA of Middle Tennessee failed to meet program objective #2 as stated in the scope of services of the grant contract.

- Objective #2, states that “70% of the 55 students who attend 4 weeks of tutoring (at least 3 times/week) will increase their grades in that academia area (i.e., Math, Science, Reading/Literacy), as determined by their semester report card; progress towards their strategic tutoring goal as assessed at the end of their tutoring cohort period.”

Based upon documentation provided, the OFA determined that the agency served fifty-seven (57) unduplicated students within the afternoon program. However, out of the 57 unduplicated students, only thirty-eight (38) students met the attendance requirement stated in objective #2; in addition, out of the 38 students that met the attendance requirement, only eleven (11) students increased in an academia area. Therefore only 30% of the students fully met the program objective as stated and not the required 70%.

#### **Recommendation**

The YMCA of Middle TN should take the necessary steps to ensure that program objectives are met and adequately documented. The agency should further ensure that program measures are obtainable.

#### **Corrective Action Plan Required**

Please submit a corrective action plan indicating the actions the agency intends to take to correct the findings identified in this report. The corrective action plan should be submitted within 14 days from the report date to the address below:

## FINDINGS, RECOMMENDATIONS AND OBSERVATIONS

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Division of Grants Coordination  
PO Box 196300  
Nashville, TN 37219  
ATTN: Vaughn Wilson